

**Before the State of South Carolina
Department of Insurance**

In the matter of:

SCDOI File Number 2002-114049

Capital Bonding Corporation
525 Penn Street
Reading, PA 19601

**Consent Order
Imposing Administrative Penalty**

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance ("the Department") and Capital Bonding Corporation, a licensed South Carolina professional Bail Bondsman.

Upon review of this matter, I hereby find as fact, that Capital Bonding Corporation used unlicensed individuals to perform bail bondsman functions. Capital Bonding Corporation contends this failure resulted from inadvertence and oversight and not from any intent to avoid the requirements of the law. However, these actions can ultimately lead to the revocation of its license to transact the business of insurance as an agent in South Carolina following a public hearing at the Administrative Law Judge Division pursuant to S.C. Code Ann. § 38-53-160 (Supp. 2002).

Rather than awaiting the outcome of impending administrative disciplinary proceedings against them, Capital Bonding Corporation and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. The consensual recommendation was that, in lieu of the Department seeking to revoke Capital Bonding Corporation's license, they would waive their right to a public hearing and immediately pay to the Department an administrative fine in the total amount of \$1,000 (\$500 on each individual).

Section 38-53-150(a) grants the Director of Insurance the authority to revoke "any license issued under this chapter for ... (7) failure to comply with or violation of the provisions of Chapter 53 or of any order or regulation of the Director."

After a thorough review of the record, and pursuant to my findings of fact, I hereby conclude as a matter of law, that Capital Bonding Corporation has violated S.C. Code Ann. §38-53-150 and 38-53-10(9) (Supp. 2002). As a result, I can now take administrative disciplinary action against them. However, under the discretionary authority provided to me within S.C. Code Ann. §38-53-150 (B) (Supp. 2002), and after carefully considering the recommendation of the parties, I hereby impose against Capital Bonding Corporation an administrative fine in the total amount of \$1,000. Capital Bonding Corporation must pay that fine within ten days of the date of my signature upon this consent order. If it does not timely pay that total fine amount, its license to transact business as an insurance agency will be revoked without any further disciplinary proceedings.

The parties have reached this agreement through negotiation and compromise and in consideration of the Department having never taken any administrative disciplinary action against Capital Bonding Corporation before, and of Capital Bonding being current with all of its monthly filings, and of its assurance that in the future they will comply with the state's insurance laws, particularly that of using only licensed "runners". The parties expressly agree and understand that Capital Bonding Corporation's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By their signature upon this consent order, Capital Bonding Corporation acknowledges that it understands that this administrative order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information of Act*, S.C. Code Ann. §§ 30-4-10 *et seq.* (1991 and Supp. 2002).

Nothing contained within this administrative order should be construed to limit, or to deprive any person of, any private right of action under the law.

It is, therefore, ordered that Capital Bonding Corporation shall, within fifteen days of the date of my signature on this consent order, pay through the Department an administrative fine in the total amount of \$1,000.

It is further ordered that a copy of this consent order be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states and a copy be placed in Capital Bonding Corporation's licensing file.

This consent order becomes effective as of the date of my signature below.

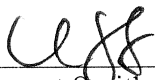
A handwritten signature in dark ink, appearing to read "E. N. Csiszar", written over a horizontal line.

Ernest N. Csiszar, Director

January 13, 2003

Columbia, South Carolina

I CONSENT:



Vincent Smith
Capital Bonding Corporation
525 Penn Street
Reading, PA 19601

Dated this 7th day of January, 2003

cc: Curtis L. Ott, Esquire